

## Message Text

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ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EA-11 EUR-25 NEA-10 RSC-01 ISO-00

CIAE-00 COME-00 DODE-00 DOTE-00 FMC-04 INR-10 NSAE-00

CG-00 COA-02 DLOS-06 SWF-02 OMB-01 TAR-02 SP-03

AGR-20 AID-20 IO-14 LAB-06 OIC-04 SIL-01 STR-08

TRSE-00 CIEP-02 CEA-02 L-03 DRC-01 /196 W

----- 069022

R 031625Z APR 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 4995

INFO AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBEERRA

AMEMBASSY COPE HAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY MADRID SPAIN

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY WARSAW

AMCONSUL HAMBURG

USMISSION USUN NEW YORK

USMISSION OECD PARIS

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PASS FMC FOR CHAIRMAN BENTLEY

E.O. 11652: N/A

TAGS: ETRN UN UNCTAD

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SUBJ: SHIPPING: UNCTAD CODE OF CONDUCT FOR LINER CONFERENCES

REF: GENEVA 2014

BEGIN SUMMARY: INFORMAL CONSULTATION GROUP, CHAIRED BY PRESIDENT (SRIVASTAVA) AND COMPRISING REPS OF GROUP 77, GROUP D, AND FRG, FRANCE, AUSTRALIA, JAPAN AND NEW ZEALAND GROUP B COUNTRIES SYMPATHETIC TO GROUP 77 PROPOSALS (REFTEL REACHED SUBSTANTIAL AGREEMENT ON PROVISIONS ON PARTICIPATION IN THE TRADE, OUTSIDERS, INTERGOVERNMENTAL AGREEMENTS, TRANSITIONAL ARRANGEMENTS, FREIGHT RATES, LOCAL CONCILIATION, INSTITUTIONAL MACHINERY, ENTRY INTO FORCE, RULES OF PROCEDURE, AND SETTLEMENT OF DISPUTES. GROUP B NOT REPRESENTED AS GROUP IN CONSULTATION GROUP. MAJORITY OF GROUP B COUNTRIES NOT INVOLVED IN CONSULTATION GROUP ARE UNABLE TO ACCEPT ALL OF AGREED PROVISIONS. MAIN PROBLEM AREAS FOR U.S. STILL REMAIN CARGO-SHARING AND FREIGHT RATES, BUT THERE MAY BE OTHER SIGNIFICANT DIFFICULTIES WHICH WILL EMERGE. PRESIDENT DELIVERED PROPOSAL ORALLY IN PRESIDENT'S GROUP APRIL 2. IT TOOK 45 MINUTES, LANGUAGE UNCLEAR ON IMPORTANT POINTS, AND INTERPRETATIONS ON MEANING VARY. END SUMMARY

1. THE MAIN PART OF THE TEXT WHICH EMERGED FROM CONSULTATION GROUP ON COMPULSORY POOLING IS AS FOLLOWS:

"WHERE NO POOLING, BERTHING, SAILING OR OTHER TRADE PARTICIPATION AGREEMENTS EXIST IN A CONFERENCE THE NATIONAL SHIPPING LINES, MEMBERS OF THE CONFERENCE, MAY REQUIRE THAT POOLING ARRANGEMENTS BE INTRODUCED IN RESPECT OF THE TRADE BETWEEN THEIR COUNTRIES CARRIED BY THE CONFERENCE IN CONFORMITY WITH THE PROVISIONS OF PARA 13 AND SUCH REQUEST SHALL BE CONSIDERED AND DECIDED BY THE CONFERENCE. IF THERE IS NO AGREEMENT TO INSTITUTE SUCH A POOL AMONG THE MEMBERS OF THE CONFERENCE THE GROUPS OF NATIONAL SHIPPING LINES OF THE COUNTRIES AT BOTH ENDS OF THE TRADE SHALL HAVE A MAJORITY VOTE IN DECIDING TO ESTABLISH SUCH A POOL. THIS MATTER SHALL BE DECIDED UPON WITHIN A PERIOD NOT EXCEEDING SIX MONTHS OF THE RECEIPT OF THE REQUEST." BALANCE OF TEXT COVERS SITUATION WHERE NATIONAL LINES DO NOT AGREE. NET EFFECT OF PROVISION IS TO ESTABLISH POOLING ARRANGEMENTS AT THE REQUEST OF NATIONAL LINES.

2. THE CONSULTATIONS GROUP AGREED TO DELETE ALL REFERENCES TO OUTSIDERS EXCEPT PARAGRAPH DEALING WITH "FIGHTING SHIPS".

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GROUP ALSO AGREED THAT INTERGOVERNMENTAL BILATERAL AGREEMENTS SHOULD NOT BE EXPRESSLY EXCLUDED FROM APPLICATION OF CODE. ON TRANSITIONAL ARRANGEMENTS CONCERNING CARGO-SHARING, GROUP AGREED ON TWO-YEAR PERIOD COMMENCING WITH ENTRY INTO FORCE OF CODE.

3. MAJORITY OF GROUP AGREED ON FOLLOWING TEXT REGARDING ABILITY OF CONFERENCE TO IMPLEMENT GENERAL RATE INCREASE AT END OF ADVANCE NOTICE PERIOD. (BRAZIL RESERVED.)

"SUBJECT TO THE PROVISION OF PARAGRAPH 64 A GENERAL

FREIGHT RATE INCREASE MAY BE IMPLEMENTED BY A CONFERENCE PENDING THE CONCILIATOR'S RECOMMENDATION. WHEN MAKING THEIR RECOMMENDATION THE CONCILIATORS SHOULD TAKE INTO ACCOUNT THE SIZE OF THE ABOVE-MENTIONED INCREASE MADE BY THE CONFERENCE AND THE PERIOD FOR WHICH IT HAS BEEN IN FORCE. IN CASE THE LINER CONFERENCE REFUSES THE RECOMMENDATION OF THE CONCILIATOR, SHIPPERS AND/OR SHIPPERS' ORGANIZATIONS SHALL HAVE THE RIGHT TO CONSIDER THEMSELVES NOT BOUND BY ANY ARRANGEMENT WITH THAT CONFERENCE AND SHALL INFORM THE CONFERENCE ACCORDINGLY AND WHERE A LOYALTY ARRANGEMENT EXISTS TO GIVE NOTICE WITHIN A PERIOD OF (90) OR (30) DAYS."

4. ON COMMITTEE III MATTERS PRESIDENT'S GROUP AGREED TO DELETE LOCAL CONCILIATION WITH PROVISIO THAT IT WOULD BE PRIORITY ITEM FOR FIRST REVIEW CONFERENCE. ON INSTITUTIONAL MACHINERY GROUP AGREED THAT A REGISTRAR WOULD BE APPOINTED, WOULD BE LOCATED AT THE UN IN GENEVA AND WOULD BE ASSISTED BY APPROPRIATE STAFF. UN WOULD FUND REGISTRAR OPERATIONS. FUNCTION YET TO BE FULLY SPECIFIED. (U.S. HAS THROUGHOUT CONFERENCE OPPOSED INSTITUTIONALIZATION IN UN, ARGUING THAT ALL COSTS SHOULD BE BORNE BY PARTIES USING CONCILIATION PROCEDURES

AND BY CONTRACTING PARTIES TO CODE.) GROUP CONCLUDED THAT ENTRY INTO FORCE SHOULD REQUIRE RATIFICATION BY 24 COUNTRIES OWNING 25 PERCENT OF WORLD'S GENERAL CARGO AND CONTAINER TONNAGE. ON RULES OF PROCEDURE, GROUP CONCLUDED THAT RULES SHOULD BE ANNEXED TO CODE BUT SHOULD ONLY SERVE AS MODEL RULES FOR GUIDANCE OF CONCILIATORS. ON SETTLEMENT OF DISPUTES GROUP AGREED THAT WITH EXCEPTION OF FREIGHT RATES PARTIES MAY ADOPT PROCEDURE OF THEIR CHOICE BY MUTUAL AGREEMENT. SUCH PROCEDURE WOULD ALSO APPLY TO FREIGHT RATES UNLESS NATIONAL LEGISLATION OR REGULATION PREVENTED SUCH A CHOICE.

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5. CONSULTATION GROUP BEGAN NEGOTIATION OF FINAL TEXTS ON ABOVE PROVISIONS LATE PM APRIL 2. THOSE RELATING TO IMPLEMENTATION WILL BE REFERRED TO COMMITTEE III, WHILE OTHERS WILL GO DIRECTLY TO PLENARY OF CONFERENCE. DURING GROUP B DISCUSSIONS OF ABOVE-DESCRIBED COMPROMISE PROPOSALS APRIL 2-3, ONLY SPAIN STATED IT GENERALLY SUPPORTED PROPOSALS. UK, SWEDEN, NETHERLANDS, NORWAY, GREECE, DENMARK, FINLAND, CANADA, AND U.S. EXPRESSED VARYING DEGREES OF UNACCEPTABILITY. ITALY AND BELGIUM DID NOT SPEAK. AT THIS STAGE IT NOT CLEAR WHETHER JAPAN WILL ACCEPT CODE. BRAZIL HAS ENTERED STRONG RESERVATION ON PARA 62, ON FREIGHT RATES, AND STATED PRIVATELY THAT UNLESS TEXT CHANGED TO RECOGNIZE NATIONAL AUTHORITY ON FREIGHT RATE INCREASES, THEY MAY NOT BE ABLE TO ACCEPT CODE. SOVIETS DISMAYED ABOUT DELETION OF BILATERAL AGREEMENT EXCLUSION, AND PLANS - PERHAPS WITH SOME 77 REPS - TO MAKE UNILATERAL DECLARATION RE-STATING SOVIET VIEW THAT CODE SHOULD NOT APPLY TO JOINT SERVICES ESTABLISHED UNDER BILATERAL AGREEMENT.

8. CONFERENCE HAS BEEN EXTENDED THROUGH SATURDAY  
APRIL 6. COMMITTEES ARE NOW SCHEDULED TO COMPLETE THEIR WORK BY  
THURSDAY AND PLENARIES OF THE CONFERENCE ARE SCHEDULED FOR FRIDAY  
AND SATURDAY FOR FINAL VOTES AND ADOPTION OF CODE.

7. SEPTEL REQUESTS GUIDANCE ON PROPOSED INSTITUTIONAL  
ARRANGEMENTS IN UN. DALE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CARGO, MARITIME LAW, CARGO SHIPS, COMMITTEE MEETINGS, FREIGHT RATES, STEAMSHIP LINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** GENEVA 2014  
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**Subject:** SHIPPING: UNCTAD CODE OF CONDUCT FOR LINER CONFERENCES  
**TAGS:** ETRN, UN, UNCTAD  
**To:** STATE  
**Type:** TE  
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